Army Benefits Center-Civilian

Federal Employees Retirement System (FERS) for Firefighters

Updated 3/16/07

Civilian Soldiers

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AGENDA

- Automated Systems
- What we do
- What is a Firefighter?
- Civilian/Military Deposit and Post 56
- FERS for FF – Specifics You Need to Know
- How Your Leave Is Used
- How To Calculate Your Annuity
- Disability Retirement
- Death-in-Service
- FEHB/FEGLI/TSP and FSA
- Beneficiary Forms
- Our Procedures

ABC-C AUTOMATED SYSTEMS

EBIS – Web Based

Advantages:

- Customer-friendly
- Available almost 24 hours a day
- Secure site
- Ability to read at convenience
- Ability to print screens of information
- Can process benefits transaction without counselor assistance
- Ability to print pending benefit forms

Disadvantages:

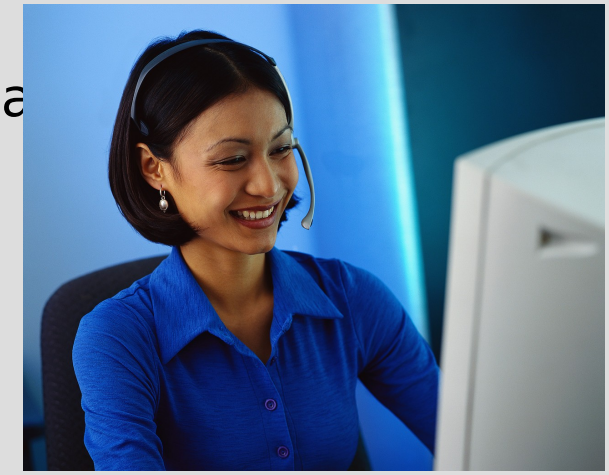
- No connection to a counselor
- Requires use of the Point of Entry security information
- Not everyone has access to a computer

ABC-C AUTOMATED SYSTEMS

IVRS - Telephone

Advantages:

- Can connect with a counselor if needed
- Available to those without computer access
- Requires use of SSN and PIN only
- Can process benefit transactions without counselor assistance
- Can receive faxed back copies of documents (e.g. FEHB enrollment form, Info Sheets, etc.)
- Counselors are available 12 hours a da
- Available almost 24 hours a day



Disadvantages:

- Must listen to scripts

COUNSELOR ASSISTED CALLS

1 JANUARY – 31 DECEMBER 2006

86,549 Total Calls
Average Answer Time: 24 Seconds
Average Call Length: 8 Minutes 40 Seconds
Average Wrap-Up Time: 2 Minutes 29 Seconds

ABC-C Benefit Counselors
are available from 6:00 a.m. to 6:00 p.m.
Central Standard Time

Peak Call Times are between 8:00 a.m. and 2:00 p.m.

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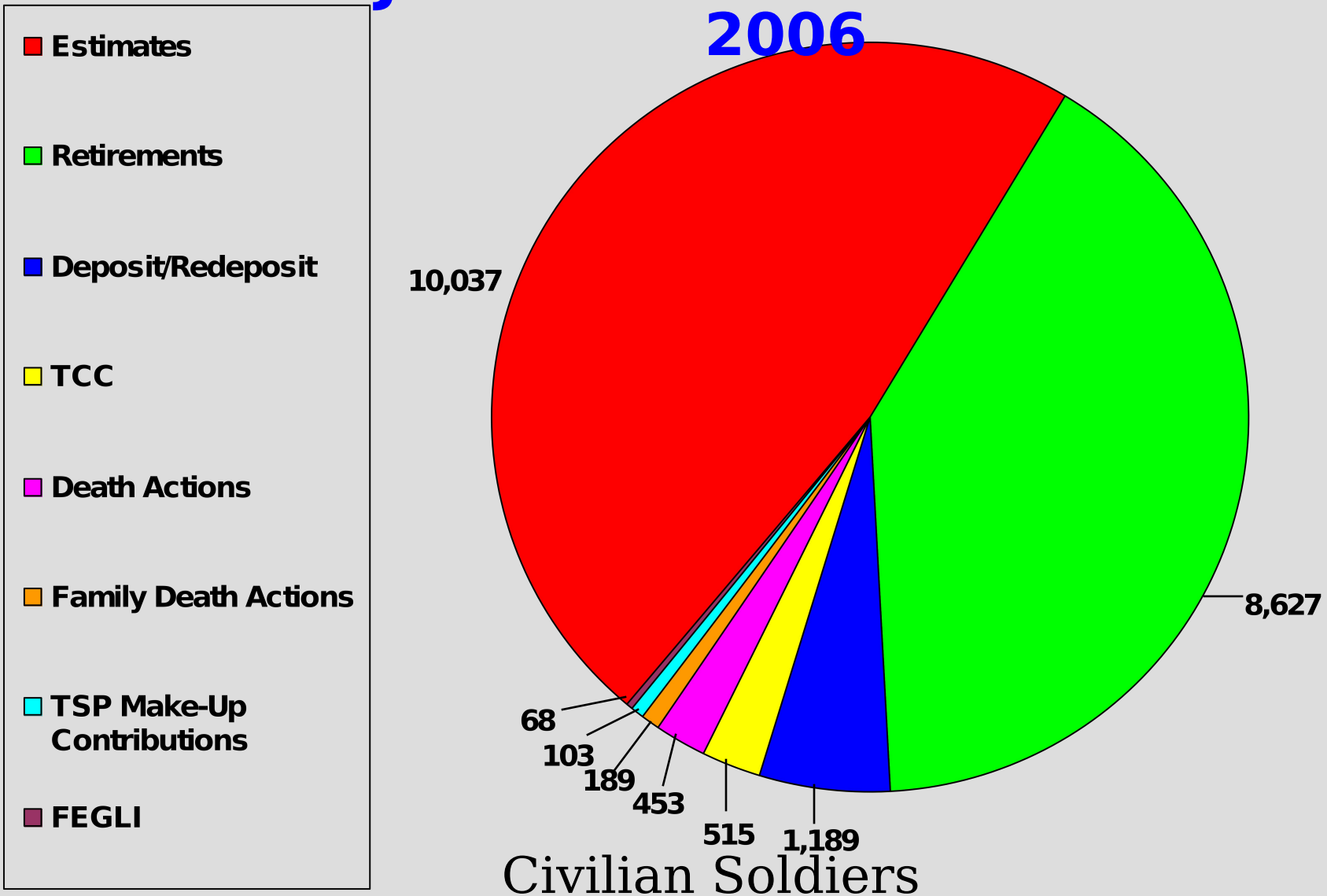
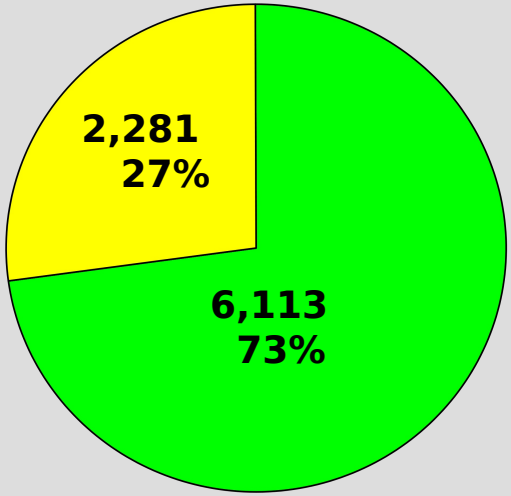
PRODUCTION SUMMARY

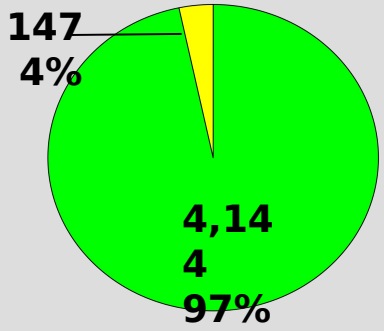
1 JANUARY – 31 DECEMBER 2006



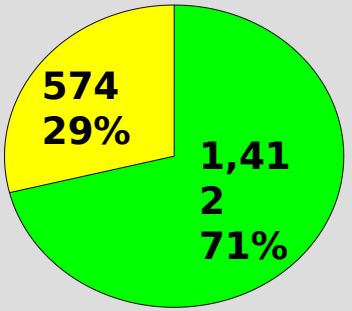
RETIREMENTS PROCESSED TO PAYROLL

1 JANUARY – 31 DECEMBER 2006

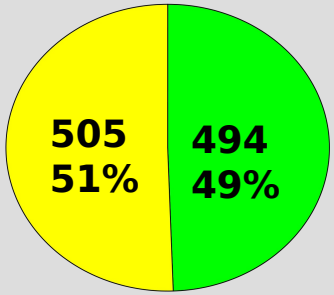




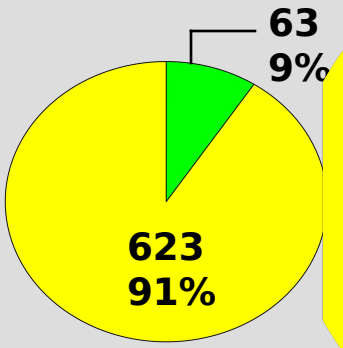
Rcvd More Than 60 Days: 4,291



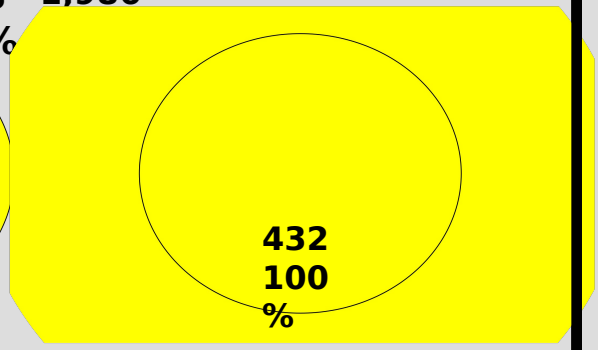
Rcvd 31-60 Days: 1,986



Rcvd 16-30 Days: 999



Rcvd 1-15 Days: 686



Rcvd On/After DOR: 432

Total: 8,394

- **Met**
- **Did Not Meet**

Goal: Submit to DFAS NLT 5 working days prior to DOR. ABC-C calculates timeliness from date complete retirement package is received to date package submitted to DFAS. ABC-C tracks calendar days.

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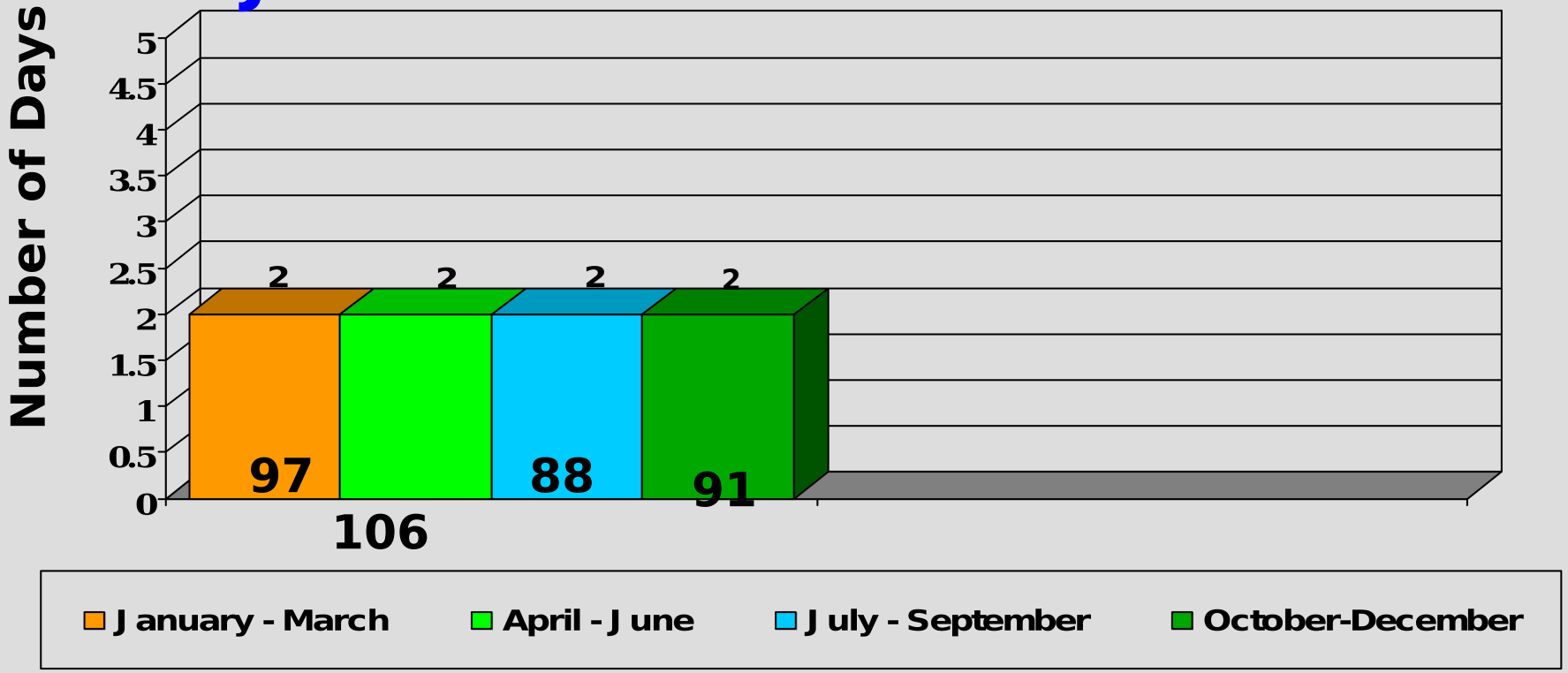
DEATH CLAIM TURNAROUND TIME

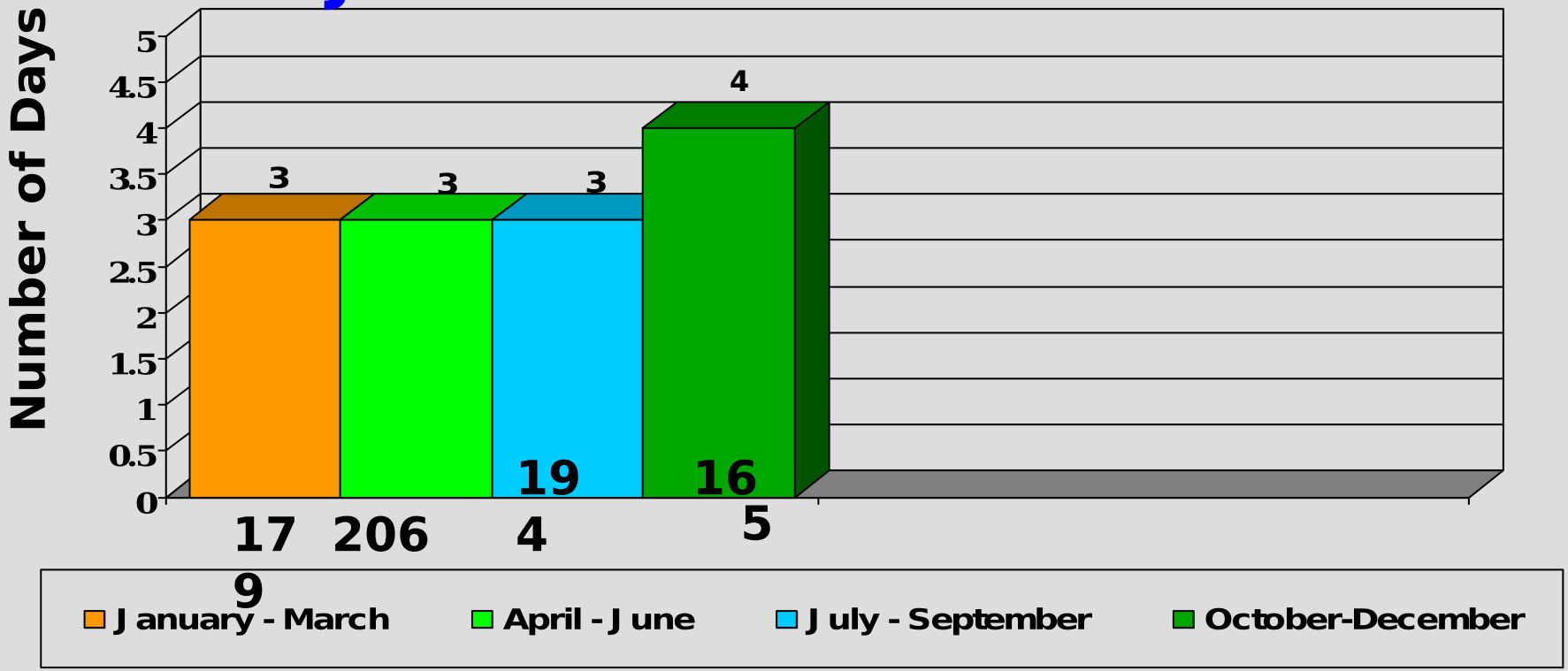
1 JANUARY – 31 DECEMBER 2006



Army Goal: Death submitted to DFAS NLT 5 working days after date survivor signs and dates death benefits claims. ABC-C tracks timeliness as date of OPF receipt to date Quick Pay is faxed to OPM for deaths processed under expedited procedures (or) date claim form is received from survivor to date claim form sent to DFAS for deaths processed under lump sum procedures. ABC-C tracks calendar days rather than working days.

DISABILITY CLAIM TURNAROUND TIME

1 JANUARY – DECEMBER 2006



Army Goal: Submitted to DFAS NLT 5 working days following receipt of all documentation. ABC-C tracks timeliness from date of receipt of OPF to date sent to payroll (or) date last item received in order to work the preliminary retirement package to date sent to payroll, whichever is later. ABC-C tracks calendar days rather than working days.

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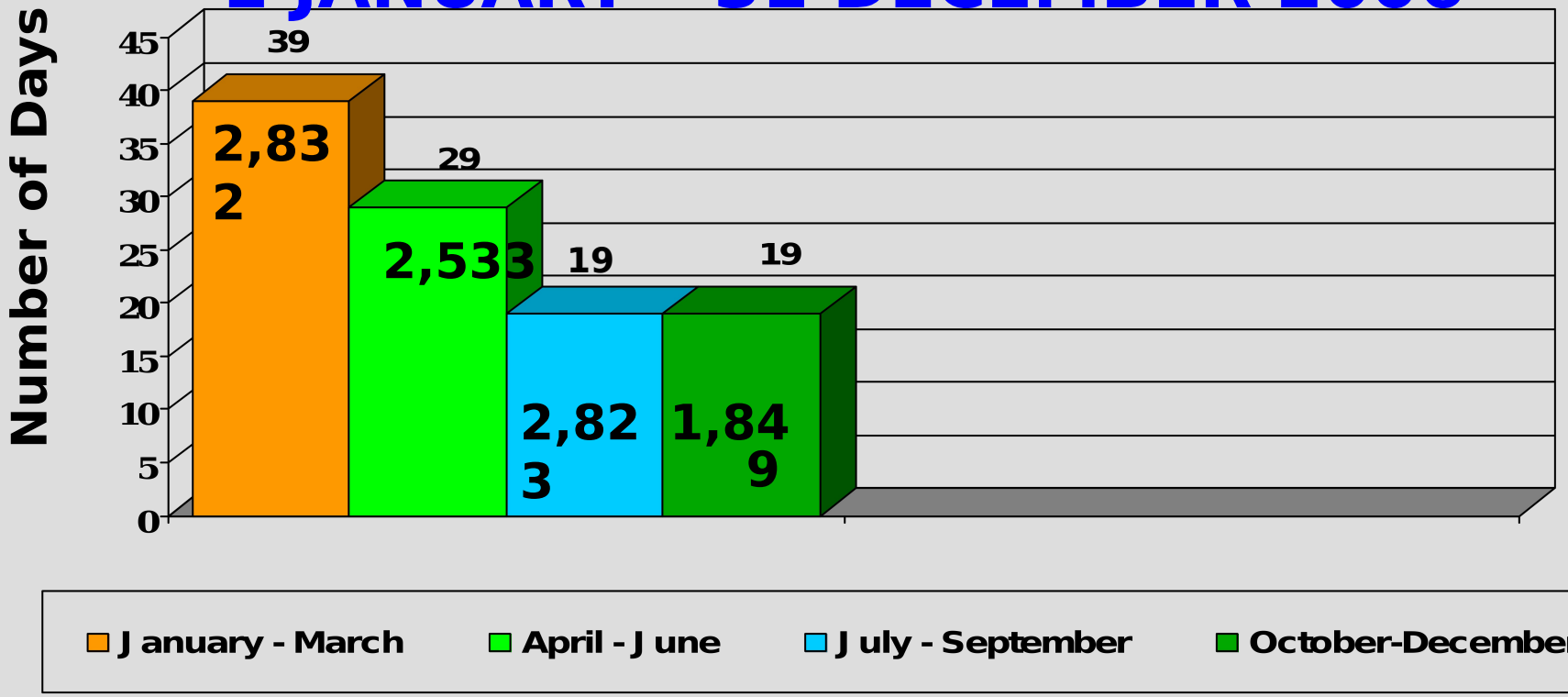
RETIREMENT ESTIMATE TURNAROUND TIME

1 JANUARY – 31 DECEMBER 2006

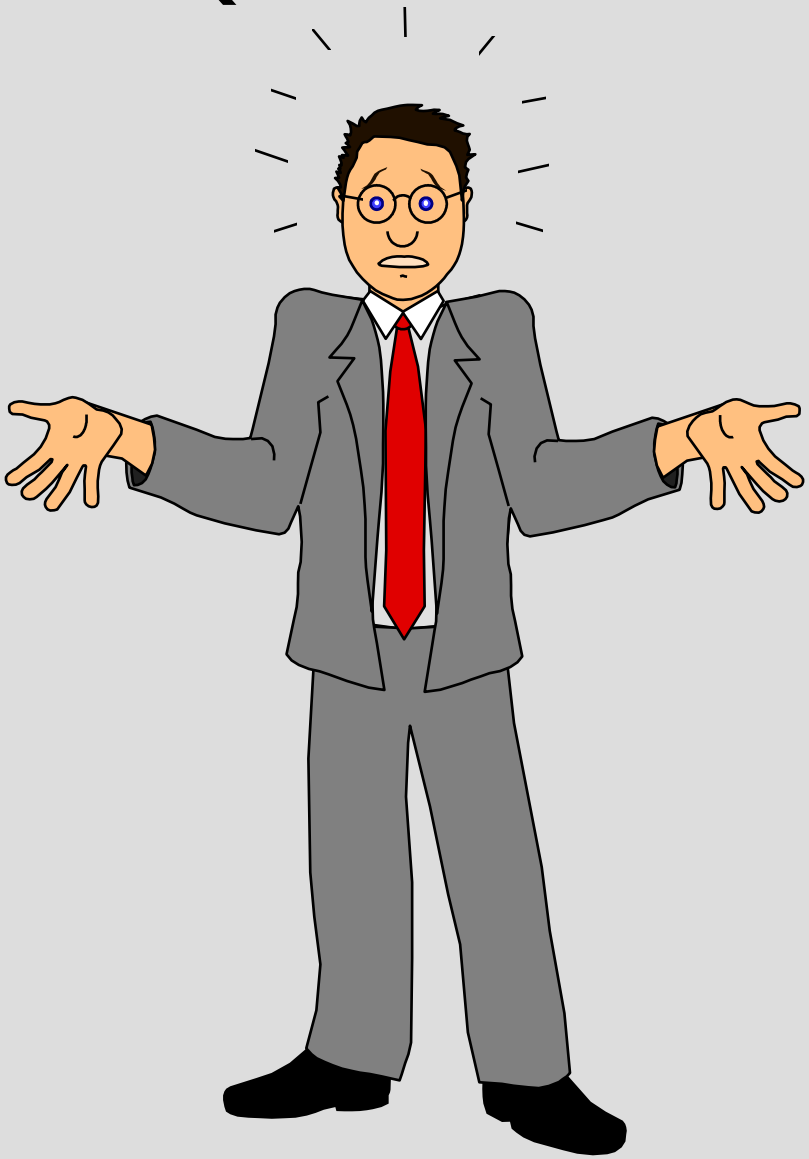


NOTE: These are requests for comprehensive retirement annuity printouts that are not associated with an individual retirement package. CHRA Goal: 14 days following receipt of estimate request.

SUCCESS STORIES

- Counselor Wait Time
- Site Assistance Visits
- Partnership with DFAS
- Video Tele-Training (VTTs)
- Employee Retirement Guide
- New Employee Flyer
- Access for Separated Employees

QUESTIONS?



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FERS FIREFIGHTER (FF) DEFINITIONS

An employee occupying a rigorous position whose primary duties are to perform work:

♦ Directly connected with the control and extinguishment of fires

♦ Includes an employee occupying a rigorous firefighter position who moves directly to a secondary position

RIGOROUS DEFINITIONS (FF)

Rigorous duties are defined as:

A position in which the duties are so rigorous that employment opportunities should be limited through the establishment of a maximum entry age and physical qualifications, to young and physically vigorous individuals, whose primary duties are:

- To perform work directly connected with controlling and extinguishing fires

PRIMARY POSITIONS DEFINED (FF)

♦ Paramount in influence or weight; that is, constitute the basic reason for the existence of the position

♦ Occupy a substantial portion of the individual's working time over a typical work cycle; and

♦ Assigned on a regular and recurring basis

SECONDARY POSITIONS DEFINED (FF)

♦ The employee, while covered under the special provision, moves directly, (without a break in service exceeding 3 days) from a rigorous position to a secondary position; and

♦ Has completed 3 years of service in a rigorous position, including any such service during which no FERS deductions were taken; and

♦ If applicable, the employee has been continuously employed in a secondary position or positions since moving from a primary position without a break in service exceeding 3 days

NOT INCLUDED IN THE FIREFIGHTER DEFINITION

An employee whose primary duty is the performance of routine fire prevention inspections.

RETIREMENT DECISIONS

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CIVILIAN SERVICE DEPOSIT/REFUND

FERS

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WHAT IS DEPOSIT SERVICE?

♦ Any period of creditable service during which retirement deductions are not taken.

♦ Generally, non-career time such as temporary or indefinite service.

♦ Also known as non-deduction service.

DEPOSIT SERVICE

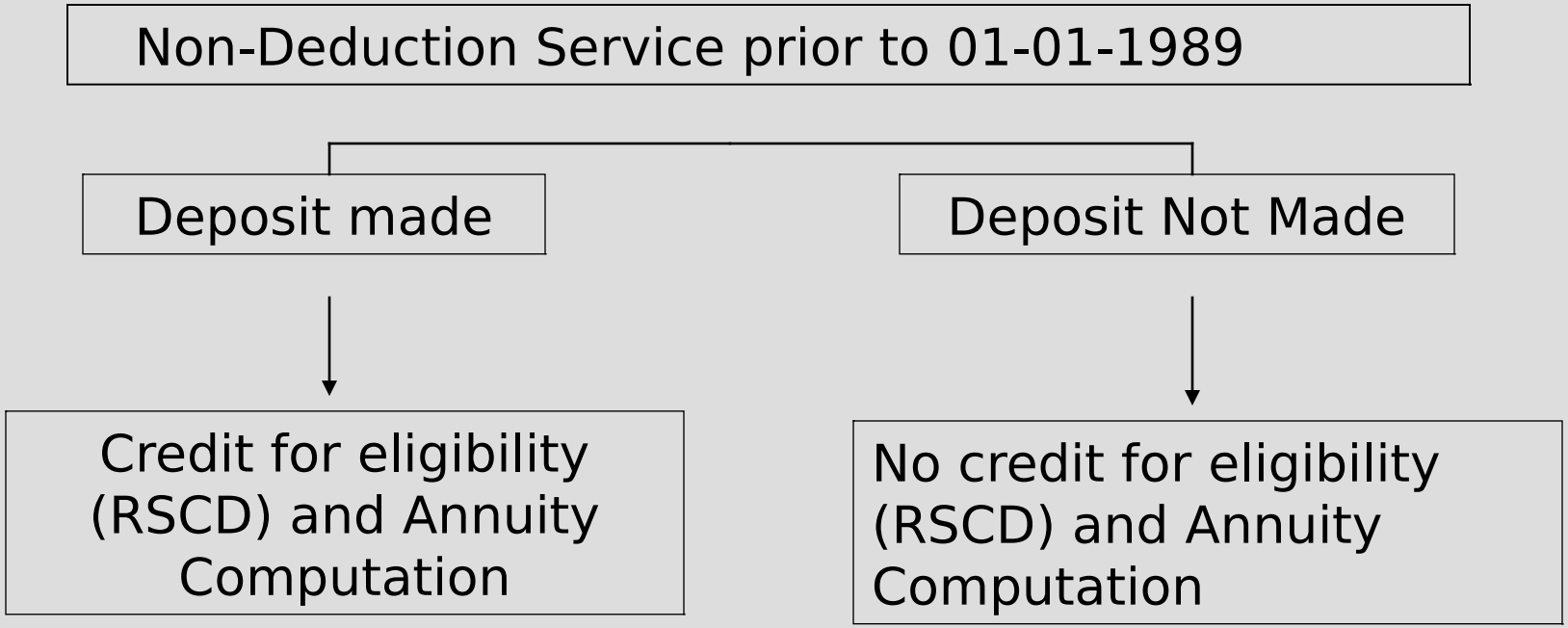
However, it can also be service that was not considered Federal employment at the time it was performed, but for which a subsequent change in law now allows credit for retirement annuity computation purposes.

Amount of Deposit:

*1.3% of earnings + interest

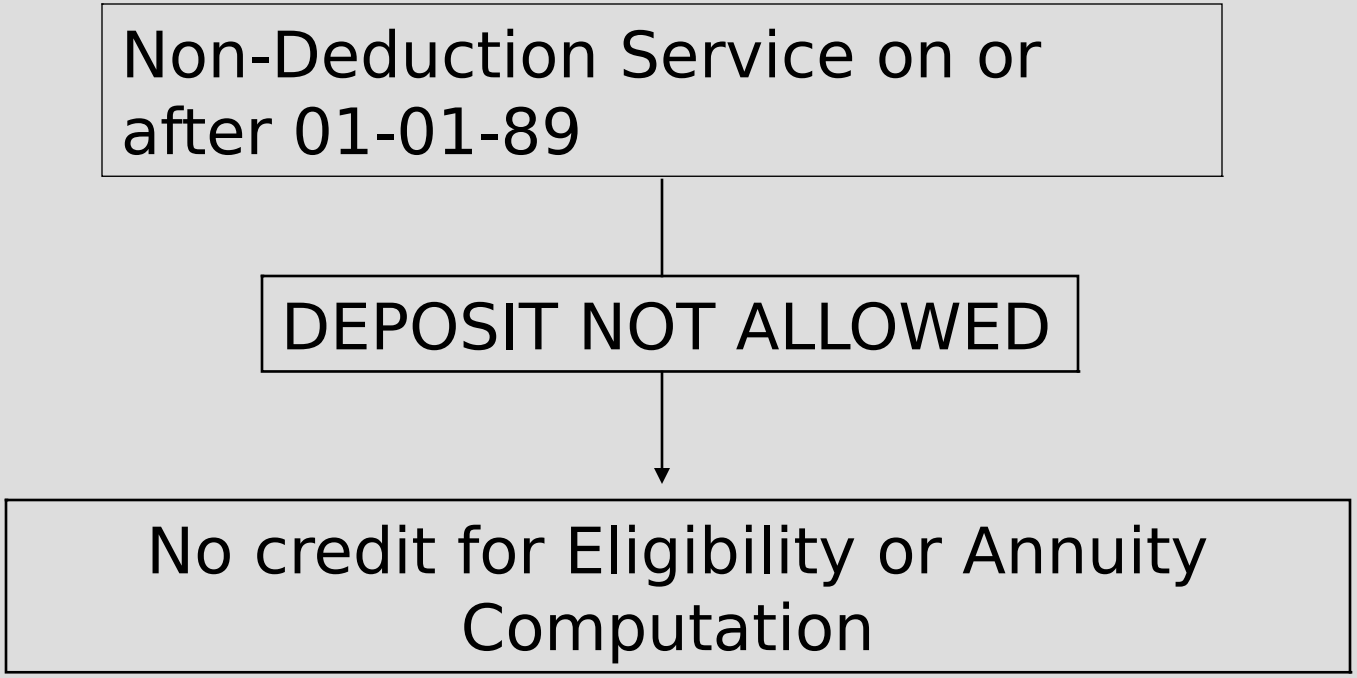
*Interest will vary depending upon the date service was performed.

FERS DEPOSIT SERVICE


Non-Deduction Service prior to 01-01-1989
Deposit made
Deposit Not Made
Credit for eligibility (RSCD) and Annuity Computation
No credit for eligibility (RSCD) and Annuity Computation

Amount of Deposit: 1.3% of basic pay earned + interest FERS with CSRS component, CSRS rules apply FERS with no CSRS component, FERS rules apply.

FERS DEPOSIT SERVICE



FERS REFUNDED SERVICE

DEFINED AS: FERS Service for which retirement contributions were refunded to you.

NO FERS REDEPOSIT ALLOWED!

Note:

- FERS with CSRS component, CSRS rules apply
- FERS with no CSRS component, FERS rules apply

MILITARY DEPOSIT

FERS

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PRE 01-01-57 MILITARY SERVICE

No deposit required for creditable military service performed prior to 01-01-57

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FERS CREDIT FOR POST-56 MILITARY SERVICE

IN RECEIPT OF MILITARY RETIRED PAY

Based on Non – Combat Disability or Service

No Credit unless Military Retired Pay is waived

Based on Combat Disability or Chap 67, Title 10 (Reserves)

Must Pay to receive credit for Eligibility (RSCD) & Annuity Computation

POST-56 MILITARY SERVICE

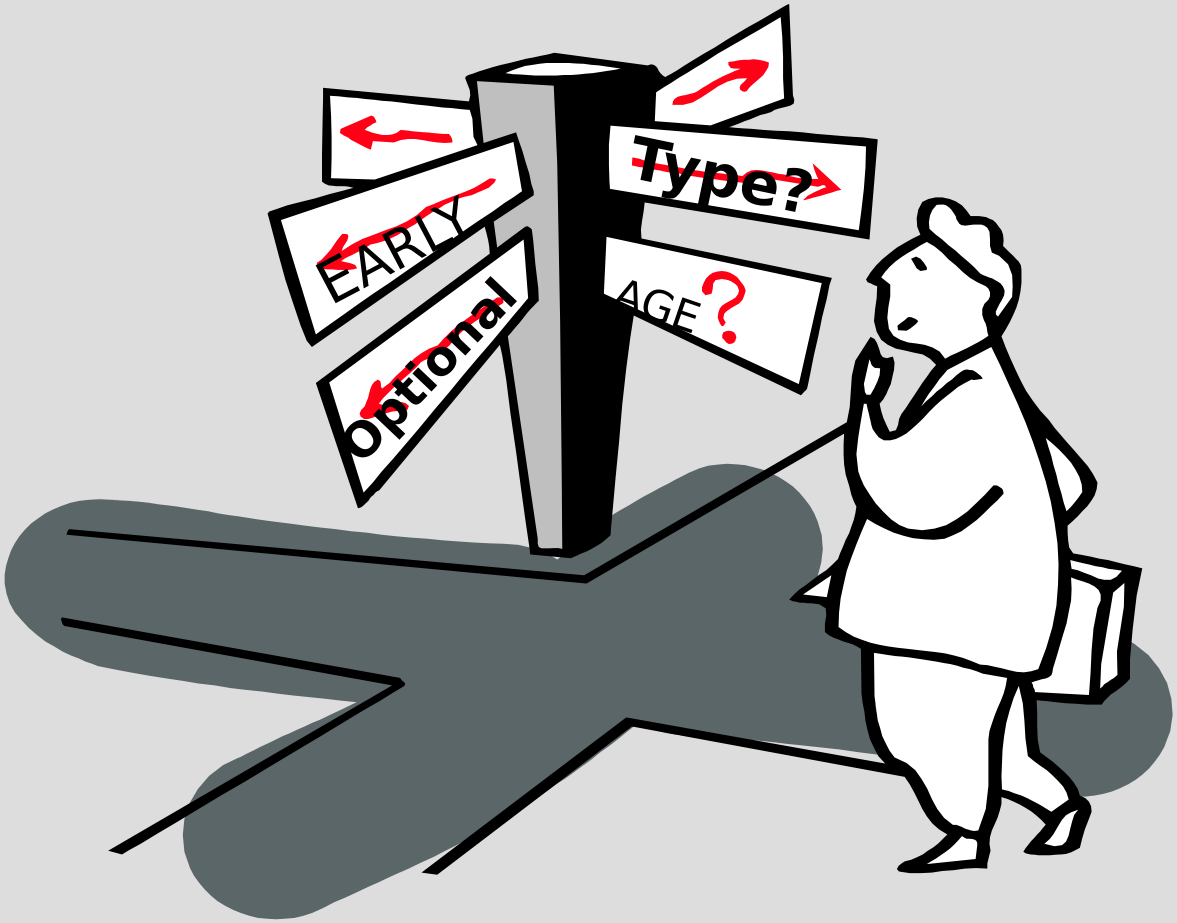
Military Service on/after 01-01-57

Must Pay to receive credit for Eligibility (RSCD) & Annuity Computation

Amount of Deposit:

- 3% of basic pay earned + interest
  - May vary by date service was performed

RETIREMENT REQUIREMENTS



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FERS TRANSFER REQUIREMENTS – FF

♦ While covered under the special provision, moves directly (that is, without a break in service exceeding 3 days) from a primary position to a secondary position; and

♦ The employee has completed 3 years of service in a rigorous position, including any such service in which no FERS deductions were withheld; and

♦ If applicable, has been continuously employed in a secondary position or positions since moving from a primary position without a break in service exceeding 3 days.

ELIGIBILITY

Minimum: Age 50 with 20 years creditable special service or any age with 25 years of creditable special service

Mandatory: Age 57 with 20 years creditable special service

FEDERAL EMPLOYEES RETIREMENT SYSTEM

AGE	TOTAL SERVICE
Date of Retirement	Date of Retirement
- Date of Birth	- Retirement SCD
Age at Retirement	Length of Service

UNUSED SICK LEAVE

For individuals covered by FERS**:**

- No credit for any unused sick leave

For an employee who has transferred to FERS with a Civil Service component:

- The amount of sick leave credited is the <u>lesser of:</u>

Sick leave balance on date of transfer to FERS

--OR--

Sick leave balance on date of retirement

FERS ANNUITY SUPPLEMENT

An estimated amount of Social Security benefits earned during FERS service which is paid until age 62 to those retiring and are entitled to an immediate unreduced annuity.

Eligibility:

- Has at least 1 calendar year of FERS service and
- Retires with an immediate annuity
- Under Special Provisions (i.e. FF)

FERS ANNUITY SUPPLEMENT

The duration of the retiree annuity supplement is payable
through the earlier of the following dates:

- Last day of the month the retiree becomes age 62

OR

- Last day of the month before the first month retiree is entitled to Social Security benefits.

RETIREMENT ANNUITY COMPUTATION (FERS)

FORMULA FOR COMPUTING ANNUITY FOR VOLUNTARY RETIREMENT:

High-3 avg salary X 1.7% X 20 years of FF service

plus

1% x high-3 avg salary X add'l years of creditable service exceeding 20 years (FF and non-FF service)

REDUCTIONS & DEDUCTIONS

REDUCTIONS:

- Deposit Service
- Election of Survivor Benefits
- Redeposit Service for CSRS component

REDUCTIONS & DEDUCTIONS

<u>DEDUCTIONS</u>:

- Health Benefits
- Life Insurance
- Federal Income Taxes
- State Tax (If applicable)

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FERS SURVIVOR ELECTIONS AVAILABLE

Types of Survivor Elections:

- ☑ **CURRENT Spouse Survivor Annuity ---Full (50% of your annuity)**
- ☑ **FORMER Spouse Survivor Annuity ---Full (50% of your annuity)**
- ☑ **Combination Current / Former Spouse Survivor Annuity**
- ☑ **Insurable Interest Survivor Annuity**
- ☑ **CURRENT Spouse Survivor Annuity --Partial (25% of your annuity)**
- ☑ **FORMER Spouse Survivor Annuity ---Full (25% of your annuity)**
- ☑ **Self Only annuity (No survivor benefit)**

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SURVIVOR BENEFIT COST & REDUCTION

Full/Max (50%) will cost = 10% of Annuity

Example:

Basic Annuity = $12,000

$12,000 x 10% = - 1,200 yearly cost

Annuity after reduction = $10,800 yearly annuity

*Survivor will receive 50% of annuity = $6,000

SURVIVOR BENEFIT COST & REDUCTION

Partial Annuity (25%) Will Cost = 05% of Annuity

Example:

Basic Annuity = $12,000

$12,000 x 05% = - 600 yearly cost

Annuity after reduction = $11,400 yearly annuity

*Survivor will receive 25% of annuity = $3,000

DISABILITY RETIREMENT - FERS

- **Definition of disability – unable to render useful & efficient service because of disease or injury**
- **Must be in a position covered by FERS**
- **Minimum of 18 months creditable civilian service**
- **Disability annuity IS subject to Federal tax**

DISABILITY RETIREMENT - FERS

- Not eligible for FERS supplemental annuity
- Required to apply for Social Security benefits
- Submit all forms for regular retirement

PLUS:

  - SF 3112A - Applicant's Statement of Disability
  - SF 3112B - Supervisor's Statement
  - SF 3112C - Physician's Statement
  - SF 3112D - Agency Certification of Reassignment and Accommodation Efforts

DEATH-IN-SERVICE

- If you die while still an active employee, your survivor **MAY** be entitled to death benefits

- In the event of your death, your survivor needs to contact the local Civilian Personnel Advisory Center (CPAC)

- CPAC will contact ABC-C

- An ABC-C counselor will contact the survivor within 24 hours

FEHB & RETIREMENT

Self Only

Self & Family

Additional Information:
www.opm.gov/insure/health

OPM Tel: 1-888-767-6738

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FEHB & RETIREMENT

- **Retires on an immediate annuity.**
- **Be insured on the date of retirement.**
- **Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll.**
- **Coverage as a family member under FEHB or CHAMPUS/TRICARE counts towards 5 year requirement, however, employee must be enrolled in FEHB prior to retirement.**

FEHB & RETIREMENT

Requirements for automatic waiver during a Buyout Period:

- **Enrolled continuously since December 30, 2003 or the beginning date of an the latest statutory buyout authority.**
- **You must:**
  - **Retire during the statutory buyout period; and**
  - **Receive a buyout under the statutory buyout period; or**
  - **Take Early Optional Retirement as a result of above; or**
- **Take a Discontinued Service Retirement (DSR) based on an involuntary separation due to RIF, directed reassignment, reclassification to a lower grade, or abolishment of position.**

FEGLI & RETIREMENT

Additional Information:

www.opm.gov/insure/life

OPM Tel: 1-888-767-6738

FEGLI & RETIREMENT

- Retires on an immediate annuity

- **Be insured on the date of retirement**

- Covered for the 5 years of service prior to retirement or since your FIRST opportunity to enroll

- **Election Form: SF-2818, Continuation of Life Insurance Coverage**

FEGLI & RETIREMENT

Basic Life Insurance – OPTION #1

75% Reduction

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000.

Example: $36,400 = $37,000 + $2,000 =* $39,000

Before age 65	After age 65
BIA x .3250 (per $1,000)	NO COST

Example:

39 x .3250 = $12.68 / month

Coverage reduces 2% per month for 37.5 months until it reaches a final value of $9,750.

FEGLI & RETIREMENT

Basic Life Insurance – OPTION #2

50% Reduction

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000.

Example: $36,400 = $37,000 + $2,000 =* $39,000

Before age 65	**After age 65**
BIA x .9250 (per $1,000)	BIA x .6000 (per $1,000)
Example:	
39 x .9250 = $36.08 / month	39 x .6000 = $23.40 / **month**

Coverage reduces 1% per month for 50 months until it reaches a final value of $19,500.

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FEGLI & RETIREMENT

Basic Life Insurance – OPTION #3

NO Reduction

Basic Insurance Amount (BIA) is based on your final annual salary rounded up, plus $2,000.

Example: $36,400 = $37,000 + $2,000 =* $39,000

Before age 65	**After age 65**
BIA x 2.1550 (per $1,000)	BIA x 1.8300 (per $1,000)
Example:	
39 x 2.1550 = $84.05/ month $71.37/**month**	39 x 1.8300 =

Coverage DOES NOT reduce!

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FEGLI & RETIREMENT

OPTION A - STANDARD COVERAGE

$10,000

Age Group	Monthly Cost
Under 35	$0.65
35 thru 39	$0.87
40 thru 44	$1.30
45 thru 49	$1.95
50 thru 54	$3.03
55 thru 59	$5.85
60 thru 64	$13.00
65 & above	NO COST

***At Age 65 coverage reduces by 2% per mth for 37.5 months until it reaches $2,500**

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FEGLI & RETIREMENT

OPTION B – Additional Coverage (1--5 Multiples of Pay)

Example: Annual Salary $36,400. 1x Multiple elected = *$37,000

Age Group	Cost per $1,000	Monthly Cost
Under 35	$0.065	$ 2.41
35 thru 39	$0.087	$ 3.22
40 thru 44	$0.130	$ 4.81
45 thru 49	$0.195	$ 7.22
50 thru 54	$0.303	$ 11.21
55 thru 59	$0.607	$ 22.46
60 thru 64	$1.300	$ 48.10
65 thru 69	$1.560	$ 57.72
70 thru 74	$2.600	$ 96.20
75 thru 79	$3.900	$144.30
80 & above	$5.200	$192.40

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage ends

NO Reduction: Coverage and premium continues

FEGLI & RETIREMENT

OPTION C – Family Coverage 1 to 5

Spouse = $5,000 (1x Multiple) / Each Child = $2,500 (1x)

Multiples

Age Group	Cost per Multiple	Monthly Cost
Under 35	$ 0.59	$ 0.59
35 thru 39	$ 0.74	$ 0.74
40 thru 44	$ 1.00	$ 1.00
45 thru 49	$ 1.30	$ 1.30
50 thru 54	$ 1.95	$ 1.95
55 thru 59	$ 3.14	$ 3.14
60 thru 64	$ 5.63	$ 5.63
65 thru 69	$ 6.50	$ 6.50
70 thru 74	$ 7.37	$ 7.37
75 thru 79	$ 9.75	$ 9.75
80 & above	$13.00	$ 13.00

FULL Reduction: At age 65, no cost & coverage reduces by 2% per month for 50 months at which time coverage ends

NO Reduction: Coverage and premium continues

TSP & RETIREMENT

Thrift Savings Plan

www.tsp.gov

Telephone: 1-877-968-3778

TDD: 1-877-847-4385

Monday through Friday

7:00 a.m. – 9:00 p.m. ET

Mailing Address:

P.O. Box 385021

Birmingham, AL 35238

TSP & RETIREMENT

- Automatic cashout (accounts less than $200)
- Leaving money in the TSP
- Partial Withdrawal of at least $1,000 (one time in career)
- Full Withdrawal
  - Single payment
  - Monthly payments
  - Life annuity
- Mixed Withdrawal

HOW TO APPLY:

TSP-70 FORM – Withdrawal Request

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TSP CATCH-UP CONTRIBUTIONS

- Open to TSP participants age 50 or older.
- Must be contributing the maximum.
- Not eligible for agency automatic 1% matching contribution.
- Limited to $5,000 for year 2006.
- Must make new election each year.

LONG TERM CARE INSURANCE (LTC)

Want to talk with a Certified Long Term Care Insurance Consultant?

Tel: 1-800-LTC-FEDS (1-800-582-3337)
TTY: 1-800-843-3557
Mon - Fri 8 a.m. - 8 p.m. EST
Sat 9 a.m. - 5 p.m. EST
Closed Sunday and Federal holidays.

http://www.ltcfeds.com
Offered by: John Hancock MetLife

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FLEXIBLE SPENDING ACCOUNTS (FSA)

To receive more information regarding FSAs, please contact a SHPS counselor.

Email: FSAFEDS@shps.net

Telephone: 1-877-FSAFEDS (372-3337)
TTY: 1-800-952-0450

- **Mon-Fri 9AM-9PM Eastern Time**
- **Closed Weekends and Holidays**
- **http://www.fsafeds.com**

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DESIGNATION OF BENEFICIARY

- Order of Precedence:
  - Court Order
  - Designation of Beneficiary
  - Widow or Widower
  - Children (and/or descendants of deceased children)
  - Parents
  - Executor or administrator of estate
  - Next of kin

ABC-C RETIREMENT PROCEDURES & PROCESS

180 days prior to retirement:

- Contact the ABC-C for retirement estimate & information

120-180 days prior to retirement:

- Download forms from ABC-C website, or contact ABC-C for forms
- Call ABC-C with questions on retirement estimate
- Call ABC-C for help with the retirement forms

90-120 days prior to retirement:

- Mail retirement forms to ABC-C

ABC-C RETIREMENT PROCEDURES & PROCESS

ABC-C receives your retirement package:

- Sends letter acknowledging receipt
- Does quick review of retirement package
- Sends letter requesting missing forms
- Requests Official Personnel File (OPF)

30-60 days prior to retirement:

- Retirement package assigned to counselor

ABC-C RETIREMENT PROCEDURES & PROCESS

ABC-C Retirement Counselor:

- Reviews OPF for service history
- Thoroughly reviews retirement package for missing, incomplete, incorrect forms
- Contacts you about missing forms
- Contacts you for final retirement counseling

2 - 4 weeks prior to retirement:

- Retirement package processing is completed
- Retirement package is mailed to payroll

ABC-C RETIREMENT PROCEDURES & PROCESS

2-4 weeks after retirement date:

- Final paycheck is received
- Lump sum annual leave is paid
- Lump sum VSIP is paid
- Bi-weekly VSIP payments begin

8-10 weeks after retirement:

- Receive 1st INTERIM payment
- Receive letter from OPM with CSA number

Office of Personnel Management
Retirement Operations Center
P.O. Box 45
Boyers, PA 16017

www.opm.gov
email:

Social Security Administration
www.ssa.gov

www.medicare.gov
Tel: 1-800-772-1213

IRS Publication 721

FOR ADDITIONAL RETIREMENT INFORMATION

CONTACT THE ABC-C

- ***Toll Free 1-877-276-9287***
- ***Hearing Impaired TDD 1-877-276-9833***
- ***Counselors available from 6 a.m. - 6 p.m. (CT)***
- ***Website: https://www.abc.army.mil***

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